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Casey Said to Have Failed to Follow Arms Rule

By FOX BUTTERFIELD

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WASHINGTON, April 2 — William J. Casey, former Director of Central Intelligence, promised in writing in June 1986 to notify the Senate Intelligence Committee of any secret United States arms sales, but failed to tell it about the clandestine weapons sales to Iran then under way, Senator Daniel Patrick Moynihan has disclosed.

The promise was contained in a written agreement approved by President Reagan and intended to insure that the Senate intelligence panel would be promptly and fully informed of all Administration covert operations.

Senator Moynihan said the Iran arms sales represented a clear violation by Mr. Casey of the accord.

"It was in profound bad faith and showed profound bad judgment. Here the facts are not in dispute."

Senator Moynihan, a former vice chairman of the Senate Intelligence Committee, provided the text of what he termed the "Casey accords" in written testimony he had prepared to give to a subcommittee of the House Intelligence Committee on Wednesday.

Hearing on Notification

Senator Moynihan, who was helping lead the effort in the Senate to override President Reagan's veto of the highway bill, did not attend the hearings. They were set up to hear testimony about a proposed bill that would require President Reagan to notify the House and Senate Intelligence Committees in writing within 48 hours of approving a covert operation.

The existence of the agreements signed by Mr. Casey had been hinted at before, and a text of them was released in February by the committee at the time of the hearings on the nomination of Robert M. Gates to be Mr. Casey's successor. They were not noticed at the time or reported in the press.

Mr. Casey, who resigned as Director of Central Intelligence earlier this year after surgery for brain cancer, was unavailable for comment.

This accord was signed by Senator Dave Durenberger, Republican of Minnesota, as chairman of the Senate Intelligence Committee, and Senator Patrick J. Leahy, Democrat of Vermont, as vice chairman of the committee.

Mr. Moynihan added that in signing the agreement with Mr. Casey, Senator Durenberger and Senator Leahy "agreed that the procedures have worked well and that they have aided the committee and the D.C.I. (Director of Central Intelligence) in the fulfillment of their respective responsibilities."

Kathy Pherson, a spokeswoman for the Central Intelligence Agency, said she was not familiar with the documents, but said the conflict between Mr. Casey and the Senate committee was "a problem between the President and the Congress." The Presidential finding of January 1986 that authorized the arms sales, she said, barred Mr. Casey from reporting them and he felt bound by this.

Furor on Harbor Mining

Senator Moynihan said the "Casey accords" grew out of the furor in Congress in 1984 after the disclosure that the C.I.A. had helped organize the mining of harbors in Nicaragua on behalf of the contras. According to the Intelligence Oversight Act of 1980, President Reagan was required to notify the House and Senate Intelligence Committees in a "timely fashion" when he authorized a covert foreign military or intelligence operation.

"This worked well until the spring of 1984 when it emerged that the intelligence committees had not been told of the mining of Nicaraguan harbors," Senator Moynihan said in his prepared testimony. The chairman of the Committee, Senator Barry Goldwater, Republican of Arizona, was "outraged," Senator Moynihan related, and he himself resigned as vice chairman in protest.

A few months later, in June 1984, Senator Goldwater and Senator Moynihan negotiated an accord with Mr. Casey, "with the President's explicit agreement," calling for Mr. Casey to notify the Senate Intelligence Committee "of all covert action activities" for which Presidential approval was required, the Senator said.

The agreement called for a review a year later, and in June 1986 Mr. Casey signed an amended accord in which he promised to notify the Senate panel of any covert action approved by the President in which "significant military equipment actually is to be supplied for the first time in an ongoing operation."